

SBX1 27 (Aanestad) (Introduced August 4, 2008)

- Changes in eligibility for the Major Risk Medical Insurance Program (MRMIP)
 - Requires either
 - six months continuous residency or
 - current residency and documentation of recent participation in another state's high risk pool
 - Requires either
 - declination by at least three different private health plans or
 - proof that applicant has a "medically uninsurable condition" as defined by the Board
- Changes in benefits for MRMIP
 - Excludes benefits exceeding \$150,000 per year and exceeding one million dollars in a lifetime
 - MRMIP must offer at least four different coverage options
 - One option must be "health savings account-compatible"
 - States intention of Legislature to enact legislation allowing a deduction in connection with the HSA option and allowing the state to subsidize the HSA option on a sliding scale based on income
 - Deductible options must range from \$500/\$1000 to \$2500/\$4000
 - Out-of-pocket maximum options must range from \$2500/\$4000 to \$5000/\$7500
 - States intention of Legislature to enact legislation allowing the board, until January 1, 2014, to "participate on a sliding scale based on income in deductible and out-of-pocket maximum reinsurance" using a variety of mechanisms
 - Requires MRMIB to adopt regulations (to sunset January 1, 2014) allowing participating health plans to incorporate wellness programs, case managements services, and disease management services and to offer enrollee rewards based on health risk reduction
- Subscriber contributions (premiums): Until January 1, 2014, permits differential risk categories for morbid obesity and tobacco use, with premium reductions for reducing these conditions
- Rider Pool
 - Until January 1, 2014, permits MRMIB to create "rider pool" consisting of applicants with no more than two "qualifying conditions" (defined by the Board) that make the individual uninsurable but do not require chronic, ongoing care
 - Related Insurance Code and Health and Safety Code ("Knox-Keene") provisions permit coverage sold through this "rider pool" to exclude coverage for the subscriber's "qualifying conditions" temporarily or permanently

- Financing
 - Requires that various fines and administrative penalties assessed by the Department of Managed Health Care (DMHC) against health care service plans
 - be paid to the Major Risk Medical Insurance Fund to be used for the purposes of MRMIP, *and*
 - not be used to reduce assessments imposed on health care service plans to pay for the costs of administering the Knox-Keene Health Care Service Plan Act
 - States intention of the Legislature to enact legislation that would
 - place an assessment on health care service plans and health insurers, based on the number of covered lives in a month or in a year, to supplement the other available MRMIP funding;
 - require MRMIB to establish anticipated program costs, subscriber premiums, and the level of assessments on health care service plans and insurers; *and*
 - provide health care service plans and health insurers with a tax deduction that would offset these assessments